

BAGGING THE WILD CAT SPECULATOR

The one signal act of the Woodrow Wilson administration which is sure to go down in future history is the establishment of a federal reserve banking system. This new bank, which has just opened its doors in a number of cities, is yet in the experimental stage, but its backers have great hope for its future success in preventing panics, in changing the basis of foreign exchange, in establishing a better system of credits, and in putting money where it is needed at the right time.

While the great mass of people can understand the workings of the tariff, the peace policy of the President, and other acts of his administration, the question of finances is one to baffle the average mind.

Some way the people have hopes that the new bank system will help the country. They can't tell how, but they still have hopes. The establishment of the reserve banks is the most daring thing done by any Congress along the banking line in half a century.

The people are used to having Congress dicker with the tariff. They half-way understand the workings of the tariff laws. They know when the duties are cut down that imports can be sold more cheaply. They also have learned that while the Democratic Congress reduced the tariff somewhat, yet the reduction was not so great but that we still have to maintain customs officers in the ports to collect duties, which tourists returning to this country consider excessive.

But finance is different. It reminds men unschooled in money matters of the days when they studied bank discount and all the other intricacies of money matters in the arithmetic.

Whether the new currency scheme will work out remains to be seen. The aim, however, is good. The purpose of the measure is to extend credit everywhere where there is something worth lending money on.

Under the old system, or, rather, under the system which has not yet passed away, the man with a wild cat scheme can get more credit than a farmer with his barns bursting with grain or a manufacturer with his warehouses full of valuable goods.

The new system is a step toward basing the issue of money on all commodities. A farmer with wheat has a good chance to borrow money on the wheat, even though he lives hundreds of miles from Wall street.

William McC. Martin, one of the federal reserve bank chairmen, in a recent statement declared a Central Credit Bureau at Washington would be established to prevent big failures.

BUREAU WOULD KEEP TAB ON COMMERCIAL PAPER.

"This bureau could keep close tabs on all the commercial paper rediscounted by federal reserve banks, and thus could know whether any certain individual or corporation is too far extended in credits," Martin said. "The bureau would be part of the federal reserve system."

Besides this "eye," which would chiefly watch the larger business houses, to prevent them from taking chances by borrowing too much money, there would be a closer scrutiny of the stores of country towns. The burden of eyeing these stores would be shifted largely from the shoulders of city credit men to the shoulders of local country bankers. Business house failures should become almost obsolete, with bankers to prevent the concerns from taking dangerous financial steps.

"Drafts are likely to prove the death of open accounts. When a wholesale house sells to a Little Rock concern hereafter, it is apt to draw a draft on the buyer for the amount of the bill instead of entering the amount on its books and carrying it there for sixty days."

The wholesale house will take the draft to its bank, and have it discounted. Then the house can have the proceeds for immediate use in its business. The bank will send the draft to the federal reserve bank to be rediscounted.

"Another pleasant way of selling goods will be to receive cash, instead of a request for credit on the books. The Little Rock merchant will go to his bank and borrow \$5,000 for sixty or ninety days to buy goods, just as under the draft plan, and the burden of watching the business methods of the Little Rock concern will be shifted from the wholesaler to the Little Rock banker."

Even if the Little Rock bank is down to the dead line on its reserves and is short of cash for counter purposes, it can quickly obtain the \$5,000 for its customer. It need only send the customer's note to the federal reserve bank, with a statement showing it has arisen out of an actual business transaction, and

the \$5,000 in bank notes will be forthcoming.

"Other advantages of the reserve system will be the ending of violent fluctuations in interest rates, the ending of the tribute paid European banks by American importers, and gathering of reliable credit information by agencies of the federal reserve system in South America."

Better relations with Europe are expected through the new bank system. In establishing reserve districts in various parts of the United States Secretary of Treasury McAdoo and Secretary of Agriculture Houston declared they were serving the interests of the people in general better than by establishing a big central bank in New York. The complaint for more than a generation has been that our money has been flowing to Wall street and then to London.

Men in rural districts and factory workers put their money in savings institutions and get 3 per cent on their deposits. This money is loaned to Wall street and the Wall street bankers lend it back to neighbors of the original borrowers, charging 8 and 10 per cent. The reserve bank is expected to do away with that system.

So far, and probably for some time to come, the benefits of the new system must be mainly sentimental. Up to date the only tangible operations of the federal reserve banks as shown in the first weekly statement issued yesterday, have consisted of the transfer of portions of cash reserves from the vaults of member banks to the custody of the federal reserve banks, the emission of \$1,250,000 in new federal reserve notes, and in the rediscounting of about \$5,500,000 of commercial bills. These figures, of course, are insignificant in comparison with the existing \$6,500,000,000 of national bank loans and the \$1,112,500,000 of national bank currency outstanding.

As a matter of fact last week's rediscounts were made by bankers who wished to help give the new banks a start, and not because the rediscounting institutions needed to borrow. The \$1,250,000 of new currency was taken to enable banks to gratify the curiosity of customers desiring to possess some of the first notes issued, and not because of any present need of new currency. The amount of national bank notes retired was several times the sum of the new currency emitted

by the federal reserve banks.

The most important immediate effect of the new law arises from the reduced reserve requirements of member banks. Central reserve city banks that formerly were required to keep cash amounting to 25 per cent of deposits, are required, under the new law, to hold 18 per cent, and not all of that needs to be cash; country banks from 15 per cent to 12 per cent.

These changes mean an enormous theoretical increase in the loaning capacity of banks. Whether it will result in an actual increase is a question that depends on the attitude of bankers. They have been accustomed for fifty years to considering the old percentages as the minimum of safety, and many bankers may feel that a change in the law does not change the facts as to what constitutes a margin of safety against possible sudden demands, even though the federal reserve banks exist for the purpose of quickly affording relief in the way of rediscounts and additional currency.

When it is in this semi-frozen condition the dasher should be taken out and the ice cream hardened by draining the freezer and repacking with fresh salt and ice.

A wet pack placed over the freezer to exclude the air will hasten the hardening.

In an hour the ice cream should be well hardened and it will be perfectly smooth, while if the crank is turned until the mixture is hard the ice cream will be coarse and buttery.

If desired, crushed fruit, sugared to taste, nuts, cake crumbs or other delicacy may be mixed into the ice cream with a spoon after the freezing.



A. T. TOP., William G. McAdoo, Center, Charles S. Hamlin of the Federal Reserve Board. Lower left, Rolla Wells, a governor. Lower center, David F. Houston. Lower right, W. McMartin.

Financial Experts Declare the New Reserve Bank System Will Base All Credits on Actual Property and Stops Loans on Worthless Ventures

Another factor to be considered is the probable effect of the new system in changing the character of commercial bank loans. Liquid assets above all things, are the safeguard of the new system against dangerous inflation, and impaired credit. Banks will be more and more inclined to require of their borrowing customers the kind of paper that is acceptable for rediscount in federal reserve banks. This means that loans must be made largely on commodities in process of marketing or manufacture. Moreover the Federal Reserve board requirement that all borrowers whose paper is rediscounted must make sworn statements of their business after January 1, is likely to result in a general revision of bankers' judgment as to the credit that borrowers are entitled to.

The general effect of these considerations may be to diminish certain classes of loans, such as those that depend on the general fixed investments of the borrower, and those which furnish funds for speculation in real estate or other forms of property, and in building contracts.

Twilight Sleep.

Another treatment designed to abolish suffering at the time of the stock's visit, and for which even more remarkable claims are made by its exponent than were made for "Twilight Sleep," has been administered with striking success during the past three months at the Cumberland Street Hospital, according to its report, by Dr. Herbert C. Allen, chief obstetrician and gynecological surgeon there.

The treatment, which Dr. Allen is terming the "American Twilight Sleep," consists of the administration of nitrous oxide and oxygen. It produces analgesia rather than anesthesia. Thus the patient, retaining full consciousness throughout, is able to carry on a conversation and aid the specialist in recognizing the proper stage of analgesia.

Homeopathic Medical Society, in annual session at the Flower Hospital, the physician emphasized his wish to be understood as claiming nothing of a discovery, but as simply appropriating to a different use a method used in other lines of medicine and dentistry. In this paper Dr. Allen gave credit for invaluable assistance in his experiments to Miss Lawrence, superintendent of the hospital, and also referred to the aid rendered by Drs. Haseh, Gould and Cavenee.

Dr. Allen, who is a graduate in the class of 1896 of the New York Homeopathic Medical College, which is in conjunction with Flower Hospital, indicated his marked preference for the nitrous oxide and oxygen treatment over the regular "Twilight Sleep" formula, embodying the use of scopolamin and narcophen. In fact, his remarks, based on his administration at the hospital of both methods of treatment, amounted in effect to a criticism of "Twilight Sleep."

In comparing data prepared by him at the hospital with a view of testing the relative merits of the narcophen and scopolamin, sleeps with the nitrous oxide and oxygen treatments, Dr. Allen in the paper referred to, says he administered the first portion of the scopolamin treatment at 5:40 o'clock in the afternoon. The crisis was reached at 11:17. At the identical stage at which the first portion of the treatment had been administered to the scopolamin patient, the nitrous oxide and oxygen was begun on the second patient at exactly 10:30 o'clock in the evening. The stock's visit occurred at 11 o'clock.

"I found that the use of scopolamin and narcophen lengthened the second stage," said the doctor in his paper, "and its effect also seemed so to stupefy the patient that assistance was not given an opportunity to assist. With the nitrous oxide and oxygen, as the case referred to proved, the second stage was not only facilitated by the aid of nature but to such an extent that scarcely one-sixth the time was consumed as in the scopolamin sleep case."

"Gas and oxygen have been given continuously for from four to five hours without any bad effects noticed up to the present date. My conclusion is that gas and oxygen are preferable to the scopolamin treatment from the physician's standpoint because its use obviates the tremendous sacrifice of time and loss of sleep which the latter treatment entails owing to the longer period of time consumed by it."

"Again, you always observe the asphyxiated condition of the baby in the scopolamin cases, and we all know of the care and anxiety we must exercise in bringing the case to a successful conclusion."

"In administering the gas and oxygen we use the nasal inhaler and begin by telling the patient that she is not going to sleep, but that she will not feel pain if she follows our instructions. She is told to breathe through her nose and that she might feel a tingling sensation in her hands and feet and that she may feel as if she were floating through air."

"We find that patients vary in susceptibility, it being necessary to administer from 65 to 85 per cent of the nitrous oxide and from 35 to 15 per cent of the oxygen to hold the patient in a state of analgesia. At the start we give 65 per cent of the gas and we reduce the quantity."

Dr. Allen at his home today explained that he first used the nitrous oxide treatment in performing an operation on a well-known Brooklyn man, whose symptoms were such that no other treatment could be used to free him from pain.

Training the Eyes.

Many boys have excellent eyes, but see not, and good ears, but hear not, all because they have not been trained to observe or to hear quickly. A good method of teaching observation while on a hike or tramp is to have each boy jot down in a small notebook or diary of the trip the different kinds of trees, birds, animals, tracks, nature of roads, fences, peculiar rock formations, smells of plants, etc., and thus be able to tell what he saw or heard to the boys upon his return to the permanent camp or to his home.

Grace Not Necessary.

Aunt—Well, why don't you say grace, Elsie?
Elsie—'Cause it's only hash, an' I said grace on it yesterday.

EXPERT IN DAIRYING OF THE UNIVERSITY OF WISCONSIN TELLS HOW TO MAKE THE BEST ICE CREAM

"The secret of making good ice cream lies just as much in the freezing as in the assembling of pure materials," according to A. C. Baer, instructor in dairy husbandry and ice cream making at the college of agriculture of the University of Wisconsin.

For one gallon of ice cream he advises the use of three quarts of medium rich cream, one pound of

sugar and a little vanilla or other good flavoring. Other ingredients are not necessary, although often added according to taste.

Put the mixture into the freezer, add the ice and salt in the proportion of one part of coarse salt to five parts of finely crushed ice.

Then turn the handle slowly for about five minutes in order that the cream may become perfectly

cold. Then turn the crank as fast as possible. In five more minutes the cream will be about the consistency of thick gravy.

When it is in this semi-frozen condition the dasher should be taken out and the ice cream hardened by draining the freezer and repacking with fresh salt and ice.

A wet pack placed over the freezer to exclude the air will hasten the hardening.

In an hour the ice cream should be well hardened and it will be perfectly smooth, while if the crank is turned until the mixture is hard the ice cream will be coarse and buttery.

If desired, crushed fruit, sugared to taste, nuts, cake crumbs or other delicacy may be mixed into the ice cream with a spoon after the freezing.

Buttermilk and skim milk may be made into cheap, delicious sherbets by utilizing the ordinary cream freezer.

A good formula is three quarts of buttermilk or skim milk, one to two pounds of sugar, one-half pint of orange or grape juice, or one-fourth pint of lemon juice. Freeze according to the foregoing directions, and when nearly done add the fruit juice. Finish freezing and set aside to harden as before.

It requires a much colder temperature to freeze such a mixture than in the case of pure ice cream.

Three quarts of water and the whites of six eggs may be substituted for the milk.

A water-ice may be made as follows: Two quarts of fruit juice, one quart of water, one ounce of gelatin, sweeten to taste. Freeze into nearly solid condition and serve at once.

Three quarts of water and the whites of six eggs may be substituted for the milk.